

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$3,000  
FAR PART 8.405-6**

**2237 Transaction # or Vista Equipment Transaction #: 765-14-4-055-0034**

The service listed in paragraph 3 below is sole source, therefore, competing this requirement would not provide consistency or compatibility with the existing labeling spurs/system.


**Restricted to the following source:**

Manufacturer/Contractor: **Integration & Automation Solutions Inc. (IAS)**

Manufacturer/Contractor POC & phone number: **610-573-8980**

Mfgr/Contractor Address: **15716 Donzi Drive Hudson FL 34667**

Dealer/Rep address/phone number: **same as above.**

 The requested material or service represents the minimum requirements of the Government.

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs  
Great Lakes CMOP #765  
5<sup>th</sup> & Roosevelt Bldg. #37 NW  
Hines IL 60141  
**VISN: 15**

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

The Great Lakes Consolidated Mail Out-patient Pharmacy (GL-CMOP) is a state of the art automated pharmacy with an output of approximately 110,000 prescription orders daily. The GL-CMOP relies heavily upon several pieces of unique high output automated equipment to label, pack, and ship prescription orders to Veterans homes. The GL-CMOP has recently purchased eight (8) automated Labeling Stations from IAS that were designed to decrease the label application time by 50% over the manual process that is currently used by GL-CMOP. The Labeling Stations must be fully integrated into the existing production scheme and software. After the contract award of the Labeling Stations but prior to installation, a new Software Vendor was contracted to take over the responsibilities to service CMOP. Unlike the previous Vendor (QMSI) the new Software Vendor (Leidos) is only authorized to install software. All hardware installation that was the previously the responsibility of QMSI must be transferred to another Vendor. IAS has installed hardware in multiple CMOPs and has proven that they are fully capable of installing the hardware needed. By utilizing only IAS for installation of the hardware and making Leidos responsible for software, it identifies which Vendor needs to be held accountable should problems arise. A third Vendor would cause confusion when determining Vendor responsibility for the problem or delay, which in a high production facility that fills 110K prescriptions per day is unacceptable. The project is also at risk of delays due to conflicting Vendor Schedules, communication gaps between Vendors, and conflicting work practices. The GL-CMOP is requesting approval of a Limited Sources Justification to utilize Integration & Automation Solutions (IAS) for the installation of hardware that was previously the responsibility of the Software Vendor QMSI.

**(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**

IAS was awarded the Checking/Labeling System (CLS)/Manual Labeling Spurs on 9/16/13 by Marie Harvey, NAC Contracting Officer. During a contract review board, NAC Legal insisted the hardware be separated from the software. The reason for the separation is because there was an existing contractor, QMSI, that had a Federal Supply Schedule (GS-35F-0908N) that was capable of installing and integrating the hardware to the software for the IAS equipment. After the award was made in September 2013, QMSI's FSS expired and they did not seek to renew it. A new contractor, Leidos, was awarded the portion of the contract (GS-35F-4461G), which could integrate the software to the hardware. Although Leidos is not new to integration, they are new to the CMOP's and Leidos is just now learning its way around the equipment and services required. They do not have the capabilities at this point to integrate the equipment purchased on 765-G30003 with software. IAS furnished the equipment and is fully able to integrate and make these labeling spurs turnkey.

**(b) ESTIMATED DOLLAR VALUE: \$172,397.00**

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**(c) REQUIRED DELIVERY DATE: 9/29/2014**

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**(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.**

■ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.)

Only one source is capable of responding due to the unique, specialized nature of the work. Additional equipment to include Dynamic Round Robin (DDR), occupied work station switches, and load balancing that has been designed by IAS that will give CMOP the ability to use the existing manual work stations in tandem with the new stations. CMOP will not be able to utilize the existing manual work stations without the added equipment. IAS has developed the Labeling Stations utilizing technology that they have designed and implemented in other CMOP's. IAS has extensive knowledge of CMOP production and software to include integration of new equipment into the existing system. IAS has partnered with the previous Software Vendor (QMSI) on many CMOP related projects; therefore they are using that experience to fill the gaps that were formed when the VA was forced to change Software Vendors from QMSI to Leidos.

■ A patent, copyright or proprietary data limits competition. The proprietary data is:  
(If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data.

These are high tech automatic labeling machines that were designed specifically for GL-CMOP and are not available through other Vendors. Proprietary information includes but is not limited to labeling machine design, station design, load balancing, and algorithm. Dynamic Round Robin (DDR), occupied work station switches, and the ability to balance tote workload will be incorporated into this installation.

The CLS incorporates industry proven automatic bottle and box labeling technology, which was developed by IAS and is proprietary.

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☐ These are "direct replacements" parts/components for existing equipment.  
N/A.

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☒ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

The new system must fully integrate with the current production system to include hardware and software that is already in place. The new Labeling Stations will replace eleven (11) of the existing sixteen (16) Labeling Stations. Additional hardware and software must be installed along the labeling line that will give CMOP the ability to integrate the new stations with the existing Labeling Stations.

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☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

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☒ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

The labeling Station installation has been delayed since April 1, 2014 due to a change in Software Vendor. QMSI did not renew their FSS contract and Leidos is taking their place. Although Leidos has done quite a bit of work in the CMOP, they are not capable of integrating the software with the hardware provided by IAS. Therefore, the equipment that was purchasing and delivered in June 2014 is not operational as the software portion of integration has not been completed. IAS has been paid 80% (per the contract, they were provided progress payments: 80% upon design and delivery, and 20% after equipment is integrated with the software and other labeling stations. This delay was brought about because of switching from the long time software provider/integrator QMSI, to Leidos. The Labeling Stations were to decrease the label application time and as a result decrease manpower by 50% when compared to the manual process.

**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 6.302-1 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

Only one responsible source is capable of performing this integration, and that is IAS, who developed and installed the labeling spurs/system. Because this is proprietary to IAS, no other company would be able to provide this turnkey operation. The only way to compete this would be to start all over and ask for labeling spurs/system with integration, which is cost prohibitive.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

Market Research is very limited due to the proprietary design of the labeling machines.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

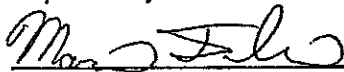
When the original request was submitted to NAC contracting in 2013, both hardware and software were part of this original order. NAC Legal recommended the hardware integration be removed as a requirement from the original Labeling Station Statement Of Work (SOW) citing that the hardware integration could be performed by the FSS supply holder in 2013, QMSI. For unknown reasons, QMSI did not renew their FSS schedule and because of that, are no longer performing any work in the CMOP's, other than an occasional emergency service. Leidos has the new hardware integration contract, but because they are so new to FSS and new to the CMOP's, it is not practicable to have them perform integration services on equipment that has been furnished by IAS. Removing the integration requirement has changed this equipment from a "turnkey" contract, which is what the original requirement was for. The former Software Vendor (QMSI) had the ability to install hardware however the new Software Vendor Contract states that they are not authorized to install hardware. All hardware installation must now be transferred to another Vendor.

IAS is the only Vendor that is an expert in installing IAS equipment and working with QMSI software.

**(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:**

None.

**(9) REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

		9-26-14	
SIGNATURE		DATE	
Mariana Franchi	GL-CMOP Director	CMOP-119	
NAME	TITLE	SERVICE LINE/SECTION	
GL-CMOP			
FACILITY			

**(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):**

a. **CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Linda J. Barger  
CONTRACTING OFFICER'S SIGNATURE

Contracting Officer  
NAME AND TITLE

9-26-14  
DATE

CMOP, National Office  
FACILITY

c. **NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

[Signature]  
SIGNATURE

9/26/2014  
DATE

Donald S. Denno  
for Christine Sceng, Director of Contracting  
NAME

NCO 15 NCM

**HIGHER LEVEL APPROVAL (Required For orders over \$650,000):**

e. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NAME DIRECTOR, SAO

QA review  
Lori Kopacz  
9/26/14